

**CHASKA ECONOMIC DEVELOPMENT AUTHORITY
BUSINESS SUBSIDY CRITERIA**

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I. PURPOSE

The purpose of this criteria is to establish the Chaska Economic Development Authority's (CEDA's) position as it relates to the use of business subsidies, as defined in Minnesota Statutes 116J.993, Subdivision 3, for private development. This criteria shall be used as a guide in processing and reviewing applications requesting business subsidies.

CEDA shall have the option of amending or waiving sections of this criteria when determined necessary or appropriate. Amendments to this criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Section 116J.993 through 116J.995. CEDA may waive any provisions of this criteria without holding a public hearing.

Existing City programs that provide business subsidies are hereby revised to reflect the following Business Subsidy Criteria as deemed necessary and appropriate.

II. STATUTORY LIMITATIONS

In accordance with the Business Subsidy Criteria, Business Subsidy requests must comply with applicable State Statutes. CEDA's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995.

III. PUBLIC POLICY REQUIREMENT

All business subsidies must meet a public purpose other than increasing the tax base. Job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.

IV. BUSINESS SUBSIDY APPROVAL CRITERIA

All new projects approved by CEDA shall meet the goals, criteria, or guidelines for the specific business subsidy program for which the application is being considered.

- 4.02 The business subsidy shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.

The project must be in accordance with the City of Chaska Comprehensive Plan and Zoning Ordinances, or required changes to the plan and Ordinances must be under active consideration by the City at the time of approval.

Business subsidies shall enhance the economic diversity of the community by creating a mix of business types. Whenever possible, efforts shall be made to invest in an area which is blighted or historically has not received similar investments.

All business subsidy requests should maximize the amount of private development investment in a site.

Recipients of business subsidies in instances where creation of jobs is the sole or primary public purpose will be encouraged to create the highest number of jobs at the highest feasible wage. However, the establishment of wage and job goals will take into account prevailing wage rates, local economic conditions, the individual financial resources of the recipient and wages paid by the recipient's competitors.

V. SUBSIDY AGREEMENT

A recipient must enter into a subsidy agreement with CEDA which includes, but is not limited to, the following:

- Description of the subsidy

- Statement of the public purpose

- Goals for the subsidy

- Description of the financial obligation of the recipient if the goals are not met

- Statement of the reason why the subsidy is needed

- Commitment to continue operations at the site where the subsidy is used for a minimum of five (5) years after receipt of all financial assistance

- Goals for the jobs created, or where job loss is imminent, goals for jobs retained

- Reporting requirements to the City as detailed in MS116J.994, Subd. 7